



Private Lateral Rehab, Repair, and Replacement

(3R PROGRAM BROCHURE)

NEW HAVEN MUNICIPAL
WASTEWATER UTILITY



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BACKGROUND

What is the Private Lateral-Rehab, Repair and Replacement Program (3R)?

The Private Lateral-Rehab, Repair and Replacement Program (3R) is a new advanced program that was approved by the City of New Haven “the City”. The 3R program was created to assist homeowners in replacing their failing, or failed, sewer lateral that serves the customers’ home – to stay compliant with The City’s Sewer Use Ordinance §51.003 (L). This program will allow the City to reduce the amount of clean water that is sent to the City of Fort Wayne for treatment. The homeowner should be aware that all of the City’s sewage is treated by the City of Fort Wayne at a substantial cost to the City’s customer. The 3R program provides homeowners with an interest-free five-year term loan to rehab, repair, or replace their homes’ faulty, damaged lines. There are certain criteria that must be met in order to qualify for the 3R loan and specific homeowner responsibilities that must be fulfilled during the 3R process. More detailed information is provided in this brochure in a Question-and-Answer format:

What qualifications must be met to qualify for a 3R loan?

The 3R is available to homeowners within the City, with a single-family, two-family, or multi-family residential property connected to The City’s sanitary sewer system. It is limited to the repair of only one sewer lateral serving the property, and a homeowner can only qualify for one 3R loan throughout the life of the program. Additionally, the lateral serving the property must be a typically configured connection to the public sewer main in a public right-of-way/easement, as shown in the diagram below, and already inspected by the City of New Haven.

What is the goal of the 3R?

The goal of the 3R program is to: 1) reduce the amount of infiltration and inflow (I & I) into the public sanitary sewer system. By reducing the I&I volumes, and keeping sewer rate increases to a minimum, the City can lower monthly power and treatment costs, reduce the need for and costs of enlarging sewers, reduce the frequency and magnitude of basement backups and combined sewer overflows, reduce the size and costs of CSO controls, and free system capacity for growth.

What is a sewer lateral?

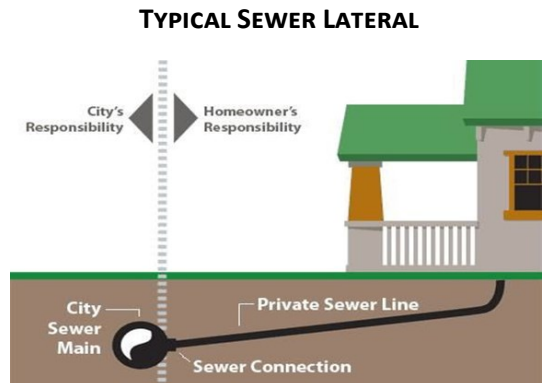
Typically, most homes have a sewer lateral that runs from their home to a sewer main located in the public street (see diagram). The sewer lateral (extending from 3 feet from the building foundation to the public sewer main).

What portion of the sewer lateral is the City responsible for?

The City is not responsible for the homeowner’s sewer lateral. As previously explained, the lateral is the responsibility of the homeowner. The Board of Public Works and Safety shall have the authority to require the owner of any property to repair or replace a faulty connection of a damaged or deteriorating sewer lateral, cleanout, or cap on their lateral.

What are the features on the sewer lateral?

Features of the sewer lateral are the cleanout, and the backflow protective device (BPD). An outside cleanout must be placed on the building sewer or near the building being served (typically within three feet of the foundation). The function of an outside cleanout is to provide access to the sewer lateral for cleaning purposes. Only homes with basements are required to construct a BPD on their lateral. A BPD is a one-way check valve preventing sewage from coming up the lateral and entering the house. A home with a BPD located within three feet of the building foundation will not be required to construct a cleanout.



The property owner is responsible for the maintenance of their lateral, which is from the home to the City Sewer Main.

BASIC PROGRAM INFORMATION

How much funding does the 3R program have, and how long will it last?

The 3R program will continue until all funding is allocated based on the first-approved, first-served basis. Funding approvals in subsequent years, if any, will be determined by the City, as it is not a guarantee at this time.

What are the homeowner’s responsibilities for this program?

There is a considerable amount of responsibility that the homeowner has regarding the 3R loan program. One primary responsibility is entering into the contract with the City. For further information refer to the “Responsibilities–Homeowner Responsibilities” section below.

What are the basic steps of the 3R application process?

Further details can be found in the “Process Details” section below, and in the 3R flowchart included at the end of this brochure, to assist the homeowner in understanding the entire 3R process.

How does the homeowner start the application process?

Once the City has performed the CCTV Lateral Video Inspections and determined what areas need fixed, they will issue the necessary application and forms to the homeowner. If the homeowner decides to participate in the program, they will submit the 3R loan application to the City and the City will then review the application along with the CCTV Lateral Video Inspection and Sanitary Sewer Service Inspection Report (already in City's possession). Homeowners need to be aware, upon entering into the contract with the City to receive the loan, if approved, the homeowner must sign a promissory note agreeing to repay the loan and grant the City a mortgage on its real estate where the lateral would be installed, and execute a blanket easement allowing the City to have access to the sewer lateral for a period of 5 years. For further information, refer to the **"Process Details-Application"** section below.

PROCESS DETAILS—Application

What criteria will be used to approve my loan application? The following criteria will be used to approve a 3R loan application:

- The loan is available to homeowners with single family residential, two family residential, and multiple family residential properties located within the City service area, and currently receiving City sewer service.
- The loan is limited to only one sewer lateral per property.
- The loan is limited to only one property, per homeowner, for the life of the program.
- The applicant's sewer lateral is typically configured and connected to the sewer main (Determined by the City staff).
- The property cannot have any current "liens" or fees placed on the property, or other current issues that could result in a future adverse action against the homeowner.
- The City must determine the lateral to require repair, rehab, or replacement, using the City's Sanitary Sewer Service Inspection Report. This condition assessment will provide the basis for the City's determination of whether the private lateral has significant defects and is in, or will soon be in, an unserviceable condition. The City will also determine which items of work will qualify for the loan and will inform the homeowner of the application approval or denial.

Who do I contact to perform the CCTV Lateral Video Inspection and condition assessment, and will there be a fee?

The City will perform the CCTV Lateral Video Inspection and condition assessment for the 3R program in target areas prior to contacting homeowners needing work. No payment by the homeowner will be due for the inspection unless a copy of the inspection video is requested. A payment of \$25 will be required to obtain a copy of the video inspection. After payment is made for the CCTV Lateral Video Inspection the City will provide the homeowner with a copy of the video inspection and Sanitary Sewer Service Inspection Report.

How long will it take to process my application?

Once the City receives the 3R application from the homeowner, the city will review in a timely manner to determine whether the 3R application is approved or denied. The completed CCTV Lateral Video Inspection and Sanitary Sewer Service Inspection Report, which was conducted by the City, will be part of the review process. A letter will be issued to notify the homeowner of this determination. If approved, the letter will provide a preliminary loan allocation and an explanation of the next steps in the process. There are certain deadlines that the homeowner must meet in order to maintain approved status.

What deadlines must the homeowner meet?

Since a preliminary loan allocation is made upon approval of a 3R application, these funds are unavailable for use by others who may qualify. To ensure the 3R funds are utilized in a timely basis, deadlines shall be imposed as part of the 3R process. A second letter will be issued to the homeowner providing confirmation of the loan allocation based on the contract price. Failure to meet either deadline may be grounds for revocation of the 3R application approval and loan allocation.

Does all required work have to be performed by the 3R contractor?

All work to be considered for the 3R loan must be completed by the 3R contractor. The final 3R loan amount will be primarily based on the total amount paid to the 3R contractor. The contractor is paid directly by the City.

LOAN

How will a homeowner know if there are any funds left in the 3R program?

As each 3R application is approved the total available funding will be reduced by the amount of each loan allocation. A prospective applicant may call the City's Clerk Treasurer's office to find out if funds are available prior to submitting their applications, however, it should be noted that applications that have already been submitted for review, but not yet approved, could further reduce the remaining fund balance information provided.

What is involved in determining the 3R loan allocation?

The determination of the 3R loan allocation is based on the estimated cost of work to repair, rehab, or replace the lateral and associated costs. The 3R loan allocation will cover the cost to perform this work but will not exceed the total costs submitted. Examples of associated costs include BPD installation, (City) permit fees, pavement, concrete sidewalk, and landscape restoration. Although a City permit is still required for this work, the sewer permit fees will be waived.

What is the difference between preliminary loan allocation, 3R loan allocation, and 3R loan amount?

A preliminary loan allocation is used to apportion the funds needed once a 3R application is approved. This allows the City to keep track of the available 3R fund balance. The final 3R loan amount is based on the actual price paid to the 3R construction contractor, as verified by the review of the paid invoices after completion of the lateral repair.

How is the loan repaid?

Repayment of the 3R loan is collected through the Clerk Treasurer's Office through the sewer billing process. The term of the 3R loan is for five years (60 monthly payments), and the schedule of payment showing when payments are due will be provided to the homeowner soon after the construction is complete. Homeowners should be aware, upon entering the contract with the City to receive the loan, the homeowner must sign a promissory note agreeing to repay the loan and grant the City a mortgage on its real estate where the lateral would be installed, until the loan is repaid in its entirety.

HOMEOWNER RESPONSIBILITIES

The homeowner has a considerable amount of responsibility during the entire 3R process. The homeowner is responsible for:

1. Thoroughly reviewing their Lateral Assessment Report and application from the City stating Lateral needs fixed.
2. Obtain a copy of the CCTV Lateral Video Inspection from the City, if requested (\$25 fee to be paid by homeowner).
3. Homeowner decides to participate in 3R Program and submits the 3R application to the City.
4. Homeowner will submit signed promissory note and mortgage forms received from City to start the 3R loan process.
5. Execute the 3R loan documents. The person(s) required to execute the loan document must be identical to those shown on the Promissory Note and Mortgage Document, or the person given Power of Attorney if a trust (documentation must be provided).
6. Receive a copy of recorded documents from the City.
7. Promptly begin repaying the 3R loan through the homeowner's sewer bills; and
8. Execute a blanket easement allowing the City of New Haven to access the sewer lateral for a period of five (5) years.

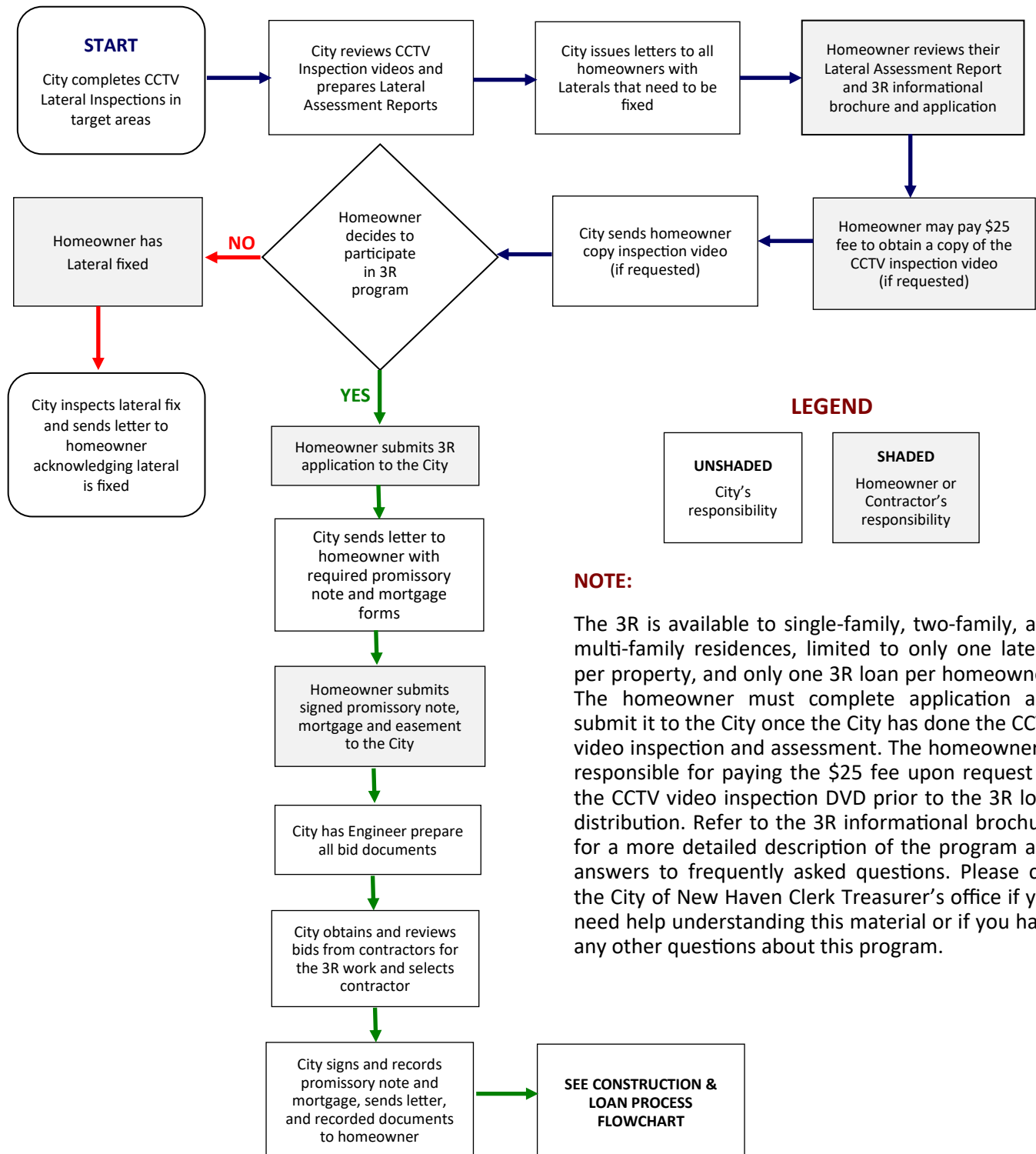
CITY OF NEW HAVEN RESPONSIBILITIES

1. City of New Haven will complete CCTV Lateral Video Inspections in target areas.
2. Perform a field check at the property to determine if a BPD will be required as a part of the lateral repair, rehab, or replacement.
3. Review CCTV Lateral Inspection videos and prepare Lateral Assessment Reports.
4. Send letter and 3R application to homeowners with Laterals needing fixed describing the required repairs, rehab, or replacements and information concerning their sewer lateral and if it is served by a sewer main with the option to participate in program.
5. Send copy of the CCTV Lateral Video Inspection if requested by homeowner and \$25 fee is paid.
6. Review the homeowner's 3R application once received if homeowner decides to participate in program.
7. Assist in preparation of the scope of work and bidding documents.
8. Prepare and issue to the homeowner the promissory note and mortgage documents that must be submitted to receive the 3R loan and acknowledge a preliminary loan allocation has been made stating whether a BPD is required.
9. Prepare easement for homeowner to sign and record said easement.
10. The inspection of the BPD and lateral repair, rehab, or replacement will be performed by the City or appointed personnel.
11. Receive and review required documents submitted by homeowner. After verification of costs, loan documents are executed and processed for the 3R loan.
12. Record the 3R loan documents at the Allen County Recorder's Office and make homeowner aware that there could be a two to three-week delay in receiving a copy of the recorded documents.
13. Receive recorded 3R documents.
14. Provide homeowner with a letter showing their schedule of payments for the 3R loan.
15. Add the loan payment to the homeowner's monthly utility bill; and
16. Prepare, issue, and record City's release of mortgage documents once loan is repaid.

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Private Lateral-Rehab, Repair and Replacement Program (3R) Flowchart

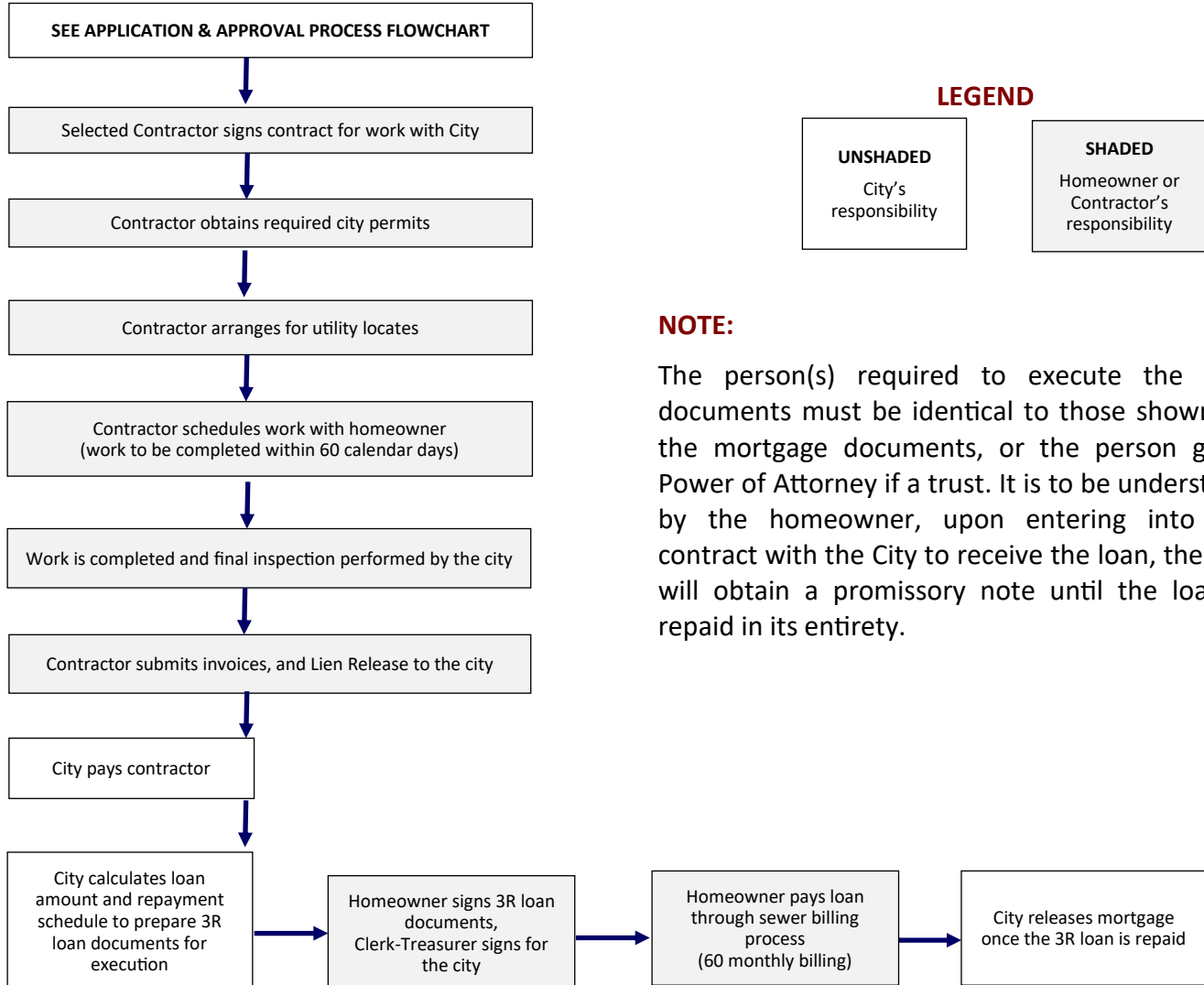
Application and Approval Process



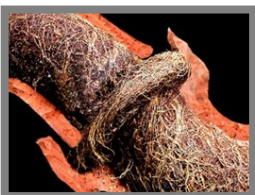
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Private Lateral-Rehab, Repair and Replacement Program (3R) Flowchart

Construction and Loan Process



Does your sewer lateral look like this?



Five (5)-year interest free loans are available from The City of New Haven to replace qualifying sewer laterals. Review this 3R brochure to find out more about the program. A one-page application is included at the end of this brochure. Funds are extremely limited and will be allocated on a first-approved, first served basis. Please contact The City of New Haven at (260) 748-7030 or email jbastings@NewHaven.In.Gov.

Apply for a 3R loan to fix the problem.